



Congresswoman Stephanie Murphy
Floor Statement
In Support of H.R. 2056, *Microloan Modernization Act of 2017*
July 24, 2017

Thank you, Mr. Speaker.

I rise in support of H.R. 2056, my bipartisan bill to improve the Small Business Administration's Microloan program.

Small businesses are the backbone of our nation's economy. In my home state of Florida, there are 2.4 million small businesses, which is 99.8 percent of all employers in the state. These businesses employ 3.2 million workers. In my central Florida district, we have a vibrant community of entrepreneurs, and they tell me the number one challenge they face is access to capital. As someone who counseled entrepreneurs and businesses in the private sector before I came to Congress, I know how difficult it can be to obtain the capital you need to start and grow a small business.

That's why this bill to improve SBA's Microloan program is so important.

I want to thank Chairman Chabot and Ranking Member Velázquez for helping to advance this bill through the Small Business Committee, where the bill received unanimous support.

I also want to thank the Administrator of the SBA, Linda McMahon, and her senior staff for working with my office to make modest changes to the bill after it was introduced. These changes should better position the bill to move through Congress and then to be signed into law by the President.

The Microloan program is one of several lending programs administered by SBA. Its goal is to help small-dollar borrowers who want to start or grow their business.

Under this program, SBA makes loans to non-profit organizations known as intermediaries. These intermediaries, in turn, make short-term loans of up to \$50,000 to small businesses and non-profit child care centers. Recipients of microloans use these funds to finance their operations and to acquire supplies and equipment.

The Microloan program seeks, in particular, to assist small business owners with little or no credit history, women and minority business owners, and aspiring and existing entrepreneurs who may not qualify for traditional bank loans or even for the larger loan guarantee programs that SBA administers.

In Fiscal Year 2016, intermediaries provided over \$60 million dollars in loans to small firms around the country, creating or retaining nearly 18,000 jobs in the process.

While the loans may not be large, they can mean the difference between a small business starting up and succeeding, or struggling and shuttering.

Despite the relative success of the Microloan program, it must be modernized. My bill would improve the program in two respects.

First, the bill would increase the total amount an intermediary can borrow from SBA from \$5 million to \$6 million. This will allow intermediaries to make more small-dollar loans to more small businesses and entrepreneurs.

Second, the bill would enable intermediaries to use a larger percentage of the technical assistance grants they receive from SBA in order to help small business owners and entrepreneurs navigate the Microloan application process.

I respectfully ask my colleagues on both sides of the aisle to support this bill, which will assist and empower more small businesses.

Thank you.